REMARKS

This is in response to the Office Action dated Feb. 22, 2011. Claims 1-23, 25-28, and 31 are currently pending.

Claim 1 stands rejected under Section 103(a) as being allegedly unpatentable over Yamaguchi. This Section 103(a) rejection is respectfully traversed.

Claim 1 as amended requires that "*the liquid crystal medium has a negative dielectric anisotropy, and wherein the display element comprises first and second polarizers in crossed nicols orientation.*" For example and without limitation, see the instant specification at pages 29-30, 33 and Fig. 5.

Yamaguchi is discussed in the Background section of the instant specification as "Patent document 2." As explained on pages 7 and 10-12 of the instant specification, Yamaguchi has a *positive* (the opposite of the "negative" requirement of claim 1) type liquid crystal material, and relates to a guest-host display mode which is entirely different than a display which realizes display using polarizers in a crossed nicols orientation (i.e., a front polarizer having an axis substantially perpendicular to an axis of a rear polarizer). The claimed polarizers in crossed nicols orientation are not present in guest-host displays such as Yamaguchi, and there would have been no reason to have provided such polarizers. Thus, Yamaguchi is unrelated to the invention of amended claim 1, and instead teaches the opposite of the claim thereby teaching away from the claimed invention in multiple respects. Certain example non-limiting embodiments of this invention are advantageous over Yamaguchi ("Patent document 2") for the reasons discussed in the instant specification at page 10, line 12 through page 12, line 10, and page 18, line 14 through page 21, line 2, as Yamaguchi cannot realize the example advantages which may be realized by the invention of claim 1. And there would have been no logical reason

to have modified Yamaguchi to meet claim 1 in these respects. Claim 1 patentably defines over the cited art.

Furthermore, applicant notes that Yamaguchi merely discusses each of Δn and $\Delta \varepsilon$ separately as a property of LC material. Yamaguchi does not disclose the technical idea of multiplying Δn by $|\Delta \varepsilon|$, let alone the idea of multiplying Δn by $\Delta \varepsilon$. Yamaguchi further states that the LC should preferably be high, not in $|\Delta \varepsilon|$, but in $\Delta \varepsilon$, and that $\Delta \varepsilon$ should preferably be 5 or more, more preferably 15 or more (e.g., col. 5:29-36). Yamaguchi therefore teaches away from the use of LC with a *negative* $\Delta \varepsilon$. This evidences the patetable nature of claim 1.

Stephenson states in paragraph [0053] that the nematic LC having positive dielectric anisotropy can be replaced with nematic LC having negative dielectric anisotropy "for use in the invention" of Stephenson. This statement does not mean that such replacement is possible in a general sense – to the contrary, it is not. Moreover, the display of Stephenson as an example is a normal LCD that includes a LC medium in the LC phase – the device thus does not carry out display by exhibiting (i) an optical isotropy when no electric field is applied and (ii) an optical anisotropy when an electric field is applied as required by claim 1 – again teaching away from the invention of claim 1.

It is respectfully requested that all rejections be withdrawn. All claims are in condition for allowance.

Respectfully submitted,

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